



ECONOMIC SECURITY

Background Information

Economic security is predicated on people having secure livelihoods. Even before the 2010 earthquake, Haiti faced significant challenges to economic security. Its economy is primarily driven by agriculture, as well as informal micro-, small-, and medium-sized enterprises (MSMEs), which generate up to 80 percent of new jobs. However, informal MSMEs, which are often in need of business development services and training, generally have difficulties accessing financing from formal institutions. This limits their ability to grow. The business sector's challenges affect a large portion of Haitians; estimates indicate that 40 percent of the Haitian population is unemployed. The Government of Haiti has made strengthening the country's business sector and increasing job creation high priorities.



Photo Credit: Kendra Helmer/USAID

U.S. Government Strategy

The U.S. Government is helping the Haitian Government in its goal of creating jobs, with a corresponding increase in household incomes, savings, and other assets, resulting in increased economic security. Since 2008, U.S. trade preferences for Haiti have contributed to the creation of at least 32,000 apparel sector jobs. Other ways the U.S. Government is helping Haiti to achieve greater economic security include:

- Doubling agricultural incomes in selected value chains (e.g., rice, cacao) through investment in farm productivity, natural resource management, marketing systems, agribusiness development, and agricultural infrastructure (e.g., barrages, farm-to-market roads);
- Helping to increase domestic investment through providing matching grants to promising MSMEs and promoting foreign direct investment opportunities for Haitian diaspora audiences;
- Supporting rural and agricultural access to credit (\$25.7 million to 525,352 rural clients) and other financial products and services (including through providing credit guarantees), and supporting the use of information and communications technology (primarily mobile money) to promote financial inclusion;
- Developing public private partnerships to access private sector expertise and leverage its investments in agricultural production for export, food processing, and elsewhere;
- Strengthening the institutional capacity of the Haitian Ministry of Agriculture to deliver services in research, extension, and market information systems to farmers; and,
- Improving the Government of Haiti's financial management systems, including tax administration and debt and cash management, with an emphasis on creating a Treasury Single Account and an Integrated Border Management System.

Accomplishments

The U.S. Agency for International Development (USAID) is leading the U.S. Government strategy by creating jobs in targeted sectors and increasing access to capital from formal sources to stimulate growth and job opportunities. So far, USAID has:

- Increased agricultural productivity by supporting more than 300 producer and other associations and working with more than 70,000 farmers; increased gross margins (a measure of profitability) for maize, beans, and plantains by a minimum of five times; and increased mango exports by 250%;
- Supported an innovative business plan competition that provides matching grants of up to \$200,000 to SMEs investing their own capital to expand their businesses: so far, 60 businesses have received technical assistance, of which 28 were selected to receive \$4.3 million in matching funds to expand operations; firms have invested an additional \$7 million of their own funds;
- Extended Development Credit Authority (DCA) guarantees of up to \$57 million in loans by local commercial banks, microfinance institutions, and credit unions.

USAID has also partnered with the Overseas Private Investment Corporation to bring \$26 million of long-term financing and technical assistance to Haiti for housing finance, as well as working capital loans to SMEs. Additionally, the U.S. Treasury Department is providing technical assistance to the Ministry of Finance to improve budgeting, tax collection, and cash and debt management.



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